

(Following Paper ID and Roll No. to be filled in your  
Answer Books)

Paper ID : 270421

Roll No.

M.B.A.

Theory Examination (Semester-IV) 2015-16

STRATEGIC MANAGEMENT

Time : 3 Hours

Max. Marks : 100

Section-A

1. Answer the following questions in not more than 30 words each. (2×10=20)

- (a) Explain the concept of stability strategy.
- (b) Discuss the different levels of strategy.
- (c) What do you understand by strategic alliance?
- (d) Differentiate between vision & mission.
- (e) Explain the relevance of values & ethics in strategy formulation.

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- (f) How strategic management provides edge to global competitiveness?
- (g) "Strategy should be always compatible to the organisation structure . Elaborate.
- (h) Discuss the role of strategic management in the field of marketing.
- (i) 'Strategy formulation is solely based on budget'. Justify
- (j) Explain Porters Diamond Model.

### Section-B

2. Answer any five parts questions from the following.

(10×5=50)

- (a) Strategic management is a process to attain the position one wants to occupy through some committed options." Elucidate this statement and discuss the major ingredients of strategic management process.
- (b) What do you understand by environmental analysis? Describe two major anticipated environmental



changes which you feel will have major impact on the tele-communication industry.

- (c) Explain why consumption patterns are becoming similar worldwide. What are the strategic implications of this trend?
- (d) Discuss the pros & cons of "friendly mergers". Do you think hostile takeovers are unethical? Why or why not?
- (e) Why do organisations go for diversification? Discuss some of the factors responsible for diversification of large business organisation.
- (f) What do you understand with value chain analysis? Under what circumstances outsourcing of support activities in a value chain is advisable/ Illustrate your answer with example.
- (g) Discuss portfolio analysis as a tool of evaluating strategic alternatives? How does it help in arriving at strategic choice?
- (h) Explain the relevance of GE nine cell matrix in attaining competitive advantage.

### Section-C

3. Read the following case and answer the questions given at the end.

In the 1990s Saab Training Systems was a high-tech company working in the defence industry. It was fully owned subsidiary of the Swedish company Saab. In 1997 the company had 260 employees and a turnover of about \$52 million. It sold computer-aided equipments for military training - for example, laser - based simulators. The market was characterized by long, complicated and politicized negotiations with clients, fierce global competition and overcapacity as defence budgets reduced as a result of the 'peace dividends. This high degree of uncertainty and need for flexibility had forced the company to react. It shunned external alliances, which were common in the industry, and focused on exploiting its core competence in laser - based simulation. But it also needed to drastically speed up throughput times in both development and production to get new product to commercialization faster and then to shorten delivery times.

The company decided to abandon its traditional functional structure in favour of a more flexible team-based structure and a more business process oriented way of doing busi-



ness. Before these changes the company was organised into functions (production, development, marketing, and purchasing]. Each function had its own internal hierarchy. This structure created problems with cross-functional coordination and communication. In the new structure 40 teams were created that reported directly to senior management team. Team sizes were between 6 and 8. If they got bigger they were split. The teams were built around the business processes. There were five business teams who negotiated contracts with customers and monitored contracts. Each team was responsible for one or more products and particular geographical markets. When a contract was signed it became a project to which others teams were assigned: a delivery team (who planned production and tested products prior to shipping); a purchasing team (responsible for sourcing materials and components); and an application team (who adapted the company's 'standard' products to the need of particular customers). Finally, production was assigned to one of 14 products teams (who were also responsible for product development). In addition to these 'front-line' teams there were central functions such as personnel and finance.

Co-ordination to the various teams involved in a customer's order was very important since the particular mix of teams assigned to that order was temporary. It was dissolved as soon as the order was delivered to the customers. Also, prod-

uct teams were working on more than one project at any time. The responsibility for coordination of any project was shared between the business team (commercial responsibility] and delivery teams (production planning].

**Questions**

(10×3=30)

- (i) Why did the functional structure not suit the company's strategy?
- (ii) How did the team-based structure help?
- (iii) What problems could the team-based approach create?